

The minutes set forth are an unofficial copy of this month's board meeting minutes. For an official (signed) copy please contact the Authority.

IOWA FINANCE AUTHORITY BOARD MEETING MINUTES

**Central Place Apartments
629 Central Avenue, Fort Dodge, Iowa
October 6, 2004**

BOARD MEMBERS PRESENT

Vincent Lintz, Chair
Kay Anderson, Vice Chair
Carmela Brown, Treasurer

Virginia Bordwell
Douglas Walter
Dick Wright

STAFF MEMBERS PRESENT

Michael Tramontina, Executive Director
Laura Abbott, Asset Management Manager,
Section 8 Contract Administration
Jennifer Amodeo, Secretary
Lori Beary, Community Development Finance
Officer
Roger Brown, Director of HUD Programs,
Section 8 Contract Administration
Donna Davis, Deputy Director, Director of
Housing Programs
Dennis Dietz, Director of Policy and
Governmental Affairs

Lindsay Durr – Business Development
Director, Title Guaranty Division
Monica Fischer, Public Information Officer
Steven Harvey, Comptroller
Craig Johnson, Financial Analyst/Underwriter
Bret Mills, Chief Financial Officer
Tim Morlan, Underwriter
Sharon Murphy, Housing Specialist HAF/HIRE
Lloyd Ogle, Director, Title Guaranty Division
James Smith, General Counsel
Tim Waddell, Tax Credit Manager
Nancy Wallis, Administrative Assistant
Vicky Winter, Legal Secretary

OTHERS PRESENT

Senator Daryl Beall – Iowa Senate
Kristi Boyce – Wells Fargo Bank Iowa, NA
(via telephone)
Bob Burns – Burns & Burns, L.C.
Jim Conlin – Conlin Properties
Darla Giese – Dorsey & Whitney Law Firm
Wendy Hauge – Fort Dodge Municipal
Housing Agency
Craig Johnson – Friendship Haven
Nicole Jones – State Treasurer's Office
Cynthia Kaneshiro – Fort Dodge Messenger
Representative Helen Miller – Iowa House
Steve Mileham – United Bank
Dee Murman – First Federal Savings Bank
of Iowa

Renie Neuberger – Iowa Equity Fund
Joe O'Hern – Fannie Mae Iowa Partnership
Office
Carolyn Olson – Fort Dodge Municipal
Housing Agency
Will Patterson – Mayor of Fort Dodge
Kent Powell – IDED (via telephone)
Vickie Reeck – City of Fort Dodge
Deborah Russell – Friendship Haven
Sue Russell – Fort Dodge Municipal
Housing Agency
Wendy Stephen – Fort Dodge Municipal
Housing Agency

CALL TO ORDER

Chair Lintz called to order the October 6, 2004 meeting of the Iowa Finance Authority (IFA) Board of Directors at 9:38 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Brown, Bordwell, Walter and Wright.

REVIEW AND APPROVAL OF MINUTES

September 8 - Board Meeting

Chair Lintz introduced the minutes of the September 8, 2004 meeting of the Iowa Finance Authority Board of Directors.

MOTION: On a motion by Mr. Wright and a second by Mr. Brown, the Board unanimously approved the minutes of the September 8, 2004 meeting.

Ms. Bordwell abstained from voting on approval of the minutes citing her absence from the September 8, 2004 meeting.

Ms. Anderson arrived at 9:43 a.m.

ADMINISTRATION/MANAGEMENT REPORT

Summary & Overview

Mr. Tramontina thanked the city of Fort Dodge, and especially Ms. Vickie Reeck and Mr. Dennis Plautz. He also welcomed Senator Daryl Beall and Representative Helen Miller.

Mayor Patterson spoke briefly to the Board and welcomed everyone present to Fort Dodge.

Mr. Tramontina welcomed back to the Authority Mr. Dennis Dietz who will assume the position of Director of Policy and Governmental Affairs as the Authority's lobbyist.

Mr. Tramontina announced a new member was appointed to the Board, Ms. Heather Kramer, from Marion, who was unable to attend the meeting. He stated her first meeting will be the November meeting in Des Moines.

Administrative Services Report

In the absence of Ms. Noland, Mr. Tramontina referred to the handout included in the Board materials.

LEGAL / REGULATORY

Final Action Re: 265 IAC Chapter 3; Multifamily Housing

Mr. Smith introduced the final action regarding the Multifamily Housing Administrative Rules. He said the notice of intended action was filed in August and there has been no public comment and the rules are an identical version of those previously noticed.

Ms. Donna Davis stated there was no public comment received and no changes were made from the proposed rules adopted in August.

MOTION: Mr. Walter made a motion to approve the Final Action Re: 265 IAC Chapter 3; Multifamily Housing. On a second by Ms. Bordwell, the Board unanimously approved the Final Action Re: 265 IAC Chapter 3; Multifamily Housing.

Final Action Re: 265 IAC Chapter 19; State Housing Trust Fund Allocation Plan

Mr. Smith introduced the administrative rules for the 2005 State Housing Trust Fund Allocation Plan. He asked Ms. Davis to address the public comments received on the allocation plan.

Ms. Davis said the rules were noticed in July with the public comment period from July 7, 2004 through August 4, 2004. She referred to the memo included in the Board materials dated September 29, 2004. Ms. Davis stated public comments were received and she referred to the allocation plan which included the public comments and the second version of the allocation plan which did not include the public comments. She said the majority of the comments received were on section 2.8, Selection Criteria and Scoring. Ms. Davis stated the staff recommendation is that if funds remain, a second round of awards will be made for the existing local housing trust funds. She said the trust fund must be certified 30 days prior to the application submission.

Ms. Bordwell inquired as to the language on page 2, Section 1.6 Housing Assistance Plan, “address the economic, social and health related benefits your city/community can....”.

Ms. Davis stated she would check on the language in that section.

Ms. Davis referred to the two e-mail communications which were forwarded to the Board after the formal public comment period.

Mr. Wright inquired as to the funding available for new local housing trust funds, those trust funds that were previously funded and the total amount of funds available.

Ms. Davis stated the dollars available would be similar to the 2004 round. She said she does not have an idea as to the number of new housing trust funds that may apply.

Ms. Davis stated the 2004 round was funded at the amount of \$1,225,000 for local housing trust funds and \$600,000 for project-based, for a total of approximately \$1.8 million, of which \$800,000 was appropriated by the legislature.

Chair Lintz inquired as to the limitations on applicants applying for the second round and the possibility of an applicant successfully applying each year.

Ms. Davis stated the applicant is required to remain on target in regard to its agreement. She said the applicant is also required to utilize the funds awarded within a two-year time frame. It is possible the applicant could specify its funds would be spent within a one year time frame.

Ms. Bordwell inquired as to whether last year’s applicants have spent the funds awarded.

Ms. Davis stated all grant agreements have been signed and a majority of the funds have been dispersed to the local housing trust funds.

A general discussion followed regarding the certification requirements.

Chair Lintz inquired as to the section on eligible uses, Section 2.7.3, and whether that amount should be \$140,000.

Ms. Sharon Murphy said there was no public comment on that section and no staff recommendation for change.

Ms. Davis stated one of the requirements of the local housing trust fund is the income restriction of 80% of area median income for single family construction.

Chair Lintz proposed striking the language contained in Section 2.7.3 in favor of the income restrictions.

MOTION: Ms. Anderson made a motion to strike the language in Section 2.7.3, "If the project includes single family construction the sale price of each home, including house and land, net of all subsidies, cannot exceed \$125,000.00. On a second by Mr. Wright, the Board unanimously approved the motion striking the language contained in Section 2.7.3.

Ms. Bordwell commented on Section 2.8, which addresses the preference given to local housing trust funds.

MOTION: Ms. Brown made a motion approving the Final Action Re: 265 IAC Chapter 19; State Housing Trust Fund with the correction of the language in Section 1.6 and the striking of the language contained in Section 2.7.3. On a second by Ms. Bordwell, the Board unanimously approved the Final Action Re: 265 IAC Chapter 19; State Housing Trust Fund with the noted revisions.

FINANCE AND ACCOUNTING

Finance Update

Mr. Steven Harvey referred to the documents included in the Board materials and reported on the new financial report format for August 2004.

MOTION: Ms. Anderson made a motion to approve the financial report for August 2004. On a second by Mr. Wright, the Board unanimously approved the financial report for August 2004.

Supplemental Resolution Re: Amendments to Single Family Mortgage Bond Resolution (Adopted July 10, 1991)

Mr. Mills introduced the Supplemental Resolution Re: Amendments to Single Family Mortgage Bond Resolution (Adopted July 10, 1991) and stated the amendments will correct and update the terminology and create a Housing Endowment Fund under the General Resolution.

MOTION: Mr. Walter made a motion approving the Supplemental Resolution Re: Amendments to Single Family Mortgage Bond Resolution (Adopted July 10, 1991). On a second by Ms. Anderson, the Board unanimously approved the Supplemental Resolution Re: Amendments to Single Family Mortgage Bond Resolution (Adopted July 10, 1991).

Supplemental Resolution Re: Amendments to Single Family Mortgage Bond Resolution Section 8.02(v)

Mr. Mills introduced the Supplemental Resolution Re: Amendments to Single Family Mortgage Bond Resolution Section 8.02(v). Mr. Mills stated bond counsel, Mr. John Kirby, drafted the resolution with

the idea that in future years the trustee could rely on the opinion of the rating agency with respect to General Resolution revisions.

MOTION: Ms. Anderson made a motion approving the Supplemental Resolution Re: Amendments to Single Family Mortgage Bond Resolution Section 8.02(v). On a second by Ms. Brown, the Board unanimously approved the Supplemental Resolution Re: Amendments to Single Family Mortgage Bond Resolution Section 8.02(v).

Resolution Authorizing Single Family Bonds, 2004 Series E, F, and G

Mr. Mills introduced the Resolution Authorizing Single Family Bonds, 2004 Series E, F, and G. He said the resolution authorizes an amount not to exceed sixty million dollars; however, the expected issue amount will be fifty million with twenty million as variable rate bonds. Mr. Mills stated the bonds will be priced the week of October 18, 2004. He referred to the summary sheet included in the Board materials.

MOTION: Mr. Wright made a motion approving the Resolution Authorizing Single Family Bonds, 2004 Series E, F, and G in an amount not to exceed sixty million dollars. On a second by Ms. Bordwell, the Board unanimously approved the Resolution Authorizing Single Family Bonds, 2004 Series E, F, and G.

Authorization of Wells Fargo Corporate Resolution For Use of Facsimile Signatures

Mr. Mills introduced the Authorization of Wells Fargo Corporate Resolution For Use of Facsimile Signatures. He explained the authorization pertains to those persons at the Authority who are authorized to sign checks. Mr. Mills said two authorized signatures are required on each check.

MOTION: Mr. Walter made a motion authorizing the Wells Fargo Corporate Resolution For Use of Facsimile Signatures. On a second by Ms. Anderson, the Board unanimously approved the Authorization of Wells Fargo Corporate Resolution For Use of Facsimile Signatures.

Resolution Authorizing UST Refunding Bonds

Mr. Mills introduced the Resolution Authorizing UST Refunding Bonds. He said the original issue was in 1994 for underground storage tanks. Mr. Mills stated a savings of \$1.2 million will be realized with the refunding of the bonds. He said the refunding issue will close on November 17, 2004.

MOTION: Ms. Bordwell made a motion approving the Resolution Authorizing UST Refunding Bonds. On a second by Ms. Anderson, the Board unanimously approved the Resolution Authorizing UST Refunding Bonds.

**COMMUNITY / ECONOMIC DEVELOPMENT
/STATE REVOLVING FUND (SRF) PROGRAM**

Economic Development Loan Program

ED. Loan #04-07, Friendship Haven

Ms. Lori Beary asked the Board to hold a public hearing regarding the issuance of Iowa Finance Authority Retirement Community Revenue Bonds for Friendship Haven in Fort Dodge in an amount not to exceed \$26,000,000. She said Friendship Haven owns and operates a continuing care retirement community consisting of 52 independent living townhomes, 168 supportive living apartments and 155 licensed nursing beds. Ms. Beary stated the bonds will be used to construct 56 independent living apartments, 48 assisted living apartments and a fitness center. She said Friendship Haven is a 501 (c) 3 organization and the project will not require Private Activity Bond Cap.

Public Hearing: Chair Lintz opened the public hearing at 10:21 a.m. regarding the issuance of Iowa Finance Authority Retirement Community Revenue Bonds in an amount not to exceed \$26,000,000 for the Friendship Haven Project. Mr. Tramontina stated the Authority had not received any verbal or written comments regarding the project.

Mr. Craig Johnson of Friendship Haven spoke to the Board regarding the project.

There being no further comments from the audience, Chair Lintz closed the public hearing at 10:22 a.m.

Ms. Beary introduced the authorizing resolution for \$26,000,000 in Iowa Finance Authority Retirement Community Revenue Bonds for the Friendship Haven Project in Fort Dodge. She stated the inducement resolution was adopted at the September 8, 2004 Board of Directors meeting.

RESOLUTION #04-07B

MOTION: Mr. Wright made a motion to approve the resolution authorizing the issuance of not to exceed \$26,000,000 Iowa Finance Authority Retirement Community Revenue Bonds (Friendship Haven Inc. Project), Series 2004 for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters. On a second by Ms. Anderson, the Board unanimously approved Resolution #04-07B.

ED. Loan #04-20, Donald Tietz and General Development, LLC.

Ms. Beary introduced the application for \$10,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds for Donald R. Tietz and General Development, LLC in Kossuth County. She said the bonds will be used to construct the solid waste portion of a swine facility. Ms. Beary stated the project will require Private Activity Bond Cap.

RESOLUTION #04-20A

MOTION: Ms. Brown made a motion approving the application for \$10,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds for Donald R. Tietz and General Development, LLC in Kossuth County. On a second by Mr. Wright, the Board unanimously approved Resolution #04-20A.

State Revolving Fund Update

Ms. Beary referred to the memorandum of understanding (MOU) between the Authority and the Department of Natural Resources (DNR) for the Clean Water State Revolving Fund. She said the Authority is awaiting any proposed changes to the document by the DNR.

Ms. Beary reported the DNR hired Ms. Patti Cale-Finnegan as the new SRF Coordinator. She said Ms. Cale-Finnegan was previously the Energy Services Coordinator for the Iowa Association of Municipal Utilities for eight years and prior to that she was the Energy Information Coordinator with DNR. Ms. Beary stated Ms. Cale-Finnegan returned to the DNR earlier this year in the Energy and Waste Management Bureau. She said Authority staff members have met with Ms. Cale-Finnegan and are eager to work closely with her to continue to improve the SRF process.

HOUSING PROGRAMS

Single Family

Single Family Status Delinquency, and Activity Reports

Ms. Davis referred to the written summary included in the Board materials.

Multifamily

Multifamily Preservation

Ms. Davis referred to the written summary included in the Board materials.

Low Income Housing Tax Credit

Allocation

Ms. Davis reported the 2005 Qualified Allocation Plan (QAP) was submitted to the Administrative Rules Coordinator on September 10, 2004 after final Board approval. She said the Rules Committee will meet on October 12, 2004. Ms. Davis stated the 2005 QAP will be final once signed by the Governor. She said applications for the 2005 round are due on November 22, 2004.

Ms. Davis reported the completion of the updated compliance manual will be done in conjunction with the scheduled Compliance Training on October 4, and October 7, 2004. She said the Compliance Manual will be completed under the administrative rules process. Ms. Davis stated the notice of intended action will be considered by the Board at the November meeting.

Section 8 Contract Administration

Ms. Davis referred to the written summary included in the Board materials and updated the Board on upcoming scheduled events.

TITLE GUARANTY DIVISION (TGD)

Mr. Loyd Ogle referred to the charts included in the Board materials and distributed an additional chart reflecting the monthly activity of the Division.

Mr. Ogle introduced Ms. Lindsay Durr, recently hired as Business Development Director. Ms. Durr gave a brief history of her education, background and employment.

Ms. Brown reported recent changes have been passed by the Senate to the HUD appropriations bill. She said this bill includes an appropriation for senior housing funds for conversion and rehabilitation. Ms. Brown stated she would like to see a letter from the Board to the Congressional delegation urging passage of the bill. She said it is likely the bill will become part of the larger omnibus bill.

Mr. Tramontina stated historically the HUD funds have been made available to each state for conversion of Section 8 units to affordable assisted living units.

MOTION: Mr. Wright made a motion authorizing the drafting of a letter to the Congressional delegation for Chair Lintz's signature urging passage of the HUD appropriations bill. On a second by Mr. Walter, the Board unanimously approved the motion authorizing the drafting of a letter to the Congressional delegation urging passage of the HUD appropriations bill.

POLICY / LEGISLATION

Mr. Dennis Dietz stated he had no report other than he was pleased to have returned to work with the Authority.

COMMUNICATIONS

Ms. Monica Fischer referred to the handouts in the Board packets and updated the Board on upcoming conferences and events, as well as news articles that would appear in the near future.

MISCELLANEOUS ITEMS

Receive Comments from General Public

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. Bob Burns spoke to the Board regarding annual tenant recertification in low income housing tax credit projects.

Mr. Wright requested Mr. Waddell review the current program requirements.

There being no one else wishing to address the Board, Chair Lintz closed the public comment period.

Next Month

The next regular meeting will be held on November 10, 2004 at 10:45 a.m. in the Iowa Hospital Association Education Center, located on the first floor of 100 East Grand Avenue, Des Moines.

ADJOURNMENT

There being no further business, on a motion by Mr. Walter and a second by Ms. Bordwell, the October meeting of the Iowa Finance Authority Board of Directors adjourned at 10:56 a.m.

Dated this 10th day of November, 2004.

Respectfully submitted:

Approved as to form:

Michael L. Tramontina
Executive Director
Iowa Finance Authority

Vincent Lintz, Vice Chair
Iowa Finance Authority